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VIA ELECTRONIC FILING

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TWB-204  
Washington, DC 20554

Re: *Application by Verizon New England Inc., et. al. To Provide In-Region, InterLATA  
Services in Vermont, CC Docket No. 02-7*

Dear Mr. Caton:

On Monday, April 1, 2002, Joan Marsh and the undersigned, both of AT&T, met with Matt Brill, Legal Advisor to Commissioner Abernathy. Michael Lieberman and Catherine Pitts, both representing AT&T, participated via conference call. AT&T reiterated its arguments that Verizon's Vermont switching and daily usage feed rates are not cost-based and are significantly greater than the corresponding rates recently approved by the New York Public Service Commission. We also explained that Verizon's overstated rates preclude competitive entry in the Vermont local market and approval of Verizon's application would be not be in the public interest. AT&T's statements were consistent with its filings previously made in this proceeding. The attached slides presented at the meeting served as a brief outline of the presentation.

Sincerely,

A handwritten signature in cursive script that reads "Amy L. Alvarez".

cc: Gary Remondino  
Julie Veach  
Kelly Trainor (DOJ)  
Peter Bluhm (VPSB)  
Ann Berkowitz (Verizon)

## DUF Rate Comparison

	Rate	% Diff in Rates VT vs Others	Cost per Line
	Per record		
Vermont	\$ 0.003964	0%	\$ 1.03
New York - Ordered	\$ 0.001001	296%	\$ 0.26

# Cost Adjusted Non-Loop Rates

FCC Volumes

Company	State	Total Non-Loop Cost per line per month	VT VZ Rates Relative to NY
VZ	VT	\$14.19	0%
VZ	NY-Ordered	\$7.01	102%

Company	State	Non-Loop SYN Mod Cost per line	VT VZ Cost Relative to NY
VZ	VT	\$5.52	0%
VZ	NY-Ordered	\$3.52	57%

Company	State		Cost Adjusted Relative Non- Loop Rates VT vs NY
VZ	VT		0%
VZ	NY-Ordered		29%

Implied VZ Non-Loop Cost Adjusted Rate	\$11.00
Implied VZ Non-Loop Rate Reduction	-22%

## Connectivity Margin for Verizon Vermont

COSTS	Statewide Average	Zone 1	Zone 2	Zone 3
Zone weights		15%	36%	48%
Loop	\$14.69	\$7.72	\$8.35	\$21.63
Port	\$1.03	\$1.03	\$1.03	\$1.03
Usage	\$8.75	\$8.75	\$8.75	\$8.75
DUF	\$1.03	\$1.03	\$1.03	\$1.03
<b>Platform - Recurring Cost</b>	<b>\$25.50</b>	<b>\$18.53</b>	<b>\$19.16</b>	<b>\$32.44</b>
NRC (not reflected)	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Platform (w/NRC)</b>	<b>\$25.50</b>	<b>\$18.53</b>	<b>\$19.16</b>	<b>\$32.44</b>

### Revenue

<b>Basic Local Svc</b>		
Zone 1	\$	18.35
Zone 2	\$	18.35
Zone 3	\$	18.35
Basic Local Svc -Statewide	\$	18.35

### Other Revenue Sources

Features	\$	2.25
Subscriber Line Charge	\$	5.00
Access	\$	1.25

### Total Revenue

Zone 1	\$	26.85
Zone 2	\$	26.85
Zone 3	\$	26.85
Total Revenue -Statewide	\$	26.85

Zone 1	\$	8.32	31%
Zone 2	\$	7.69	29%
Zone 3	\$	(5.59)	-21%
Residence Statewide	\$	1.35	5%
Connectivity margin			